

## CHAPTER III

### NON-DELEGATED AGENCY CONTRACT PROCESSING PROCEDURES

#### **SECTION 1**

##### ***SUBMITTING A NON-DELEGATED CONTRACT FOR APPROVAL***

#### **PURPOSE**

This procedure provides guidance to agencies when they are submitting original contracts, amendments, change orders, supplements, and other contract modifications to the State Controller's Office (SCO) for approval and signature by the state controller or his designee. The approval of these agreements is based upon their compliance with 24-30-202, CRS, the State Fiscal Rules, and their legal sufficiency.

#### **DEFINITIONS**

*Contract* - A formal legally binding agreement between two state agencies or one state agency and another party which ultimately results in the disbursement of funds. A contract can be distinguished from a purchase order by the fact that a contract will contain the signatures of both the state agency representative and the outside party providing service or goods, while a purchase order will contain only the signature of the state agency representative.

*Contract Routing Form* - A form containing contract information must be attached to all contracts, amendments, change orders, supplements, and other modifications that are required to be sent to the SCO for approval and signature. This form may be a screen print of the CLIN and CLI2 tables or, for agencies that do not use COFRS as their main accounting system, the Correctional Industries form identified as number 395-53-07-0085.

*Exempt Contract* - A contract that does not require the state controller's approval and signature to be valid and binding upon the State of Colorado. This category includes all contracts that do not require a disbursement of funds.

*Multi-year Contract* - A contract whose term falls within at least two state fiscal years.

*Signature Attestation* - To authenticate a signature by signing as a witness. This is usually performed by the secretary of a corporation to affirm another officer's signature and title.

## ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS

All contracts, amendments, change orders, supplements, and other modifications must have a contract routing/documentation form attached to them when submitted to SCO for processing and approval.

All contracts, amendments, change orders, supplements, and other modifications submitted to the SCO for processing and approval must be accompanied by an encumbrance transaction document. If the agreement does not contain a stated maximum amount to be disbursed by the state or if the agency does not wish to encumber the funds, then the agreement must be accompanied by a State Fiscal Rule waiver approved and signed by the state controller. Agencies that use COFRS as their main accounting system must attach a COFRS document that can be approved by the SCO or a COFRS document that proves that the encumbrance has been recorded. **However, if any payments have been made to the contractor, prior to the agreement being signed by the state controller, the agreement may not be approved and may be considered null and void as provided by CRS 24-30-202(3).** Agencies that do not use COFRS as their main accounting system must attach a document that proves that the encumbrance was recorded on their accounting system.

All contracts, amendments, change orders, supplements, and other modifications submitted to the SCO for processing and approval that do not strictly adhere to the State Fiscal Rules must be accompanied by a State Fiscal Rule waiver approved and signed by the state controller.

Three copies (four for lease agreements) of contracts, amendments, change orders, supplements, or other modifications containing original signatures of the vendor, the authorized agency representative, and the architect/engineer if applicable must be submitted when agreements are forwarded to the SCO for approval.

Agency representatives can only be authorized to sign agreements by the Executive Director of their department or the President of a university or college. The signature of the authorized representative must be recorded on the Signature Authorization Form for Contracts and on file at the SCO.

If the original contract required the approval and signature of the state controller, then all amendments, change orders, supplements, and modifications related to that contract must be submitted to the state controller for approval and signature, irrespective of whether or not a disbursement of funds is required by the amendment, change order, supplement, or modification.

All required approvals from other central approvers must be obtained before the SCO can process and approve an agreement. Please review Chapter II for questions related to required approvals.

## PROCEDURAL STEPS

Step 1 Have the contract signed by the vendor and then the agency.

The vendor signature can be one of the following without an attestation:

- a) an individual, if the vendor is an individual or sole proprietorship.
- b) a general partner, if the vendor is a partnership.
- c) a member or manager, if the vendor is a limited liability company (LLC).

All other signatures must be attested and include the appropriate attestation signature.

The agency signatory must be authorized and **on file** with the SCO. If there are any other agency internal approvals, such as a purchasing agent, they should be obtained at this time.

Step 2 Complete the required fields of the contract routing form. See Chapter II for guidance in completing the correct form.

Step 3 Prepare an encumbrance document to be sent with the agreement. The encumbrance document must meet the following criteria:

If a COFRS document is submitted it must be ready for approval. (Instructions for processing agreements prior to the beginning of a new fiscal year can be found in the Open/Close Instructions published by the SCO.)

The vendor name on the encumbrance document must be the same as the party contracting with the state agency.

The accounting information must be the same as on the front page of the contract.

The amount must equal the payment amount stated in the agreement. For multi-year agreements only the current year payment amount must be encumbered unless the appropriation is part of the capital construction fund then the entire amount must be encumbered. If the amount to be paid must be computed by a calculation the agency should explain on the encumbrance document how they arrived at that amount.

Step 4 Attach the encumbrance document to the agreement and forward to the SCO for routing to the first central approver identified on the routing slip. *(Failure to comply with this step will cause a delay in the processing and approval of the agreement.)*

**SECTION 2**  
**REQUESTING THE EMERGENCY PROCESSING OF A  
CONTRACT**

**PURPOSE**

This procedure provides guidance to agencies who wish to request emergency processing of a agreement by the State Controller's Office (SCO).

**DEFINITIONS**

*Executed Contract* - A contract that has been approved and signed by all parties required to sign the contract.

**ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS**

All required documentation for the processing and approval of a agreement must be available to the SCO contract signatory prior to the execution of that agreement. No agreement will be processed and approved by the SCO contract signatory unless the required documentation is presented in the correct form as outlined by the contract procedures issued by the SCO.

All agreements must have been approved by the required central approving agencies prior to the agency request for emergency agreement processing to the SCO. Please review Chapter II for questions related to required approvals.

Agreements executed by the emergency request procedure must be picked up by the requesting agency or delivered by a priority mail service to the requesting agency, no emergency agreements will be placed in the agency mailboxes located in the SCO.

Agreements that have been rejected by the SCO because of errors are not eligible to be executed by the emergency request procedure until all reasons for the rejection have been corrected.

**PROCEDURAL STEPS**

The various methods of requesting emergency processing and approval of agreements are explained in detail in the following procedural steps. Procedure steps one and two are applicable to all emergency requests while steps three, four, and five each address specific emergency requests.

**Steps for All Emergency Agreements**

- Step 1 Review the agreement and verify that all required approvals and signatures, other than the state controller's, have been applied to the contract prior to contacting the SCO and requesting emergency processing and approval of the agreement.
- Step 2 Verify that all required documents have been completed and are available to the SCO contract signatory.

*(It is **imperative** to obtain the routing number of the contract packet before making any request for emergency contract processing.)*

### **Steps for the "Walk-Through" Contract OR**

- Step 3 Proceed with the following actions:
- A. Call the SCO contract signatory for an appointment time.
  - B. Hand carry the agreement and other required documentation to the SCO contract signatory at the appointed time.
  - C. Receive executed contract from SCO contract signatory.

### **Steps for the "Telephone Request Approval" Contract**

- Step 3 Proceed with the following actions:
- A. Verify that the contract is in the possession of the SCO contract signatory by viewing the CLI2 table in COFRS.
  - B. Call the SCO contract signatory at 866-3820 to request emergency processing and to indicate the desired time for the execution of the contract after which an agency representative will pick it up.
  - C. Pick up executed contract from the SCO contract signatory at the appointed time.

### **Steps for the "Overnight Mail Approval" Contract**

- Step 4 Proceed with the following actions:
- A. Verify that the contract is in the possession of the SCO contract signatory by viewing the CLI2 table in COFRS.
  - B. Call the SCO contract signatory at 866-3820 and request emergency contract processing.

- C. Give the SCO contract signatory your agency's overnight mail service billing code.